

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of:

Retention by Broadcasters of
Program Recordings

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MB Docket No. 04-232

VoiceLog Reply Comments Regarding the Proposed Rulemaking

VoiceLog LLC (“VoiceLog”) offers this filing in reply to many of the comments provided in this proceeding.

It is clear that many responders are concerned about the cost of recording and, in particular, the cost to broadcasters in small markets. We therefore offer some additional information about the cost estimates we provided in our earlier comments:

- We originally said that a service provider operating to record and store multiple broadcasts in a market could offer such a service at rates in the following ranges:
 - Radio stations: \$50 - \$200 per month per station
 - Television stations: \$500 - \$2,000 per month per stationWe said that the most likely cost of such a service – using the sixty day storage requirement - would be about \$80 per month for radio and about \$1,000 per month for television stations, before discounts for multiple stations, long-term contracts, etc.
- An important assumption of these estimates is that there are at least 2-3 broadcasters in any given market. As other commenters have pointed out, the initial cost of the equipment to conduct the recording is a minimum of \$1,000 (in most cases more) and there are administrative costs in addition to that. Markets with only 1-2 stations make it difficult to amortize the cost of recording across multiple stations.
- If the FCC were to limit the rule to markets with at least one television station or at least three radio stations, we believe a service provider would have little difficulty providing a service at the rates we’ve suggested.
- In addition, the FCC can further reduce the cost of such a service by providing maximum flexibility to broadcasters with regard to fidelity and compression. Specifically, developing a standard that requires only that the recording is sufficiently clear to be heard and/or seen with comprehension would allow for much lower levels of required storage. At that standard, broadcasters in very large markets might be able to obtain recording and storage services in the range of \$35 and \$200 per month for radio and television stations respectively. A holding company that owned multiple stations might even be able to negotiate better rates than these.
- As we stated before, the key assumption for these cost estimates is that a service provider is recording multiple broadcasts from a central location within a given market and that the cost of the equipment, administration, etc. is spread across multiple broadcasters. This is a common business model in many industries. For example, VoiceLog provides call recording services for call centers across the US, amortizing the cost of capital-intensive high-capacity equipment and support staff

across its more than 300 clients nationwide. In order for such service providers to emerge, the Commission would need to give broadcasters a minimum of six months to comply with any resulting rule.

- An additional method by which the cost of such a service could be reduced would involve using Voice Over Internet Protocol (VOIP) or a similar digitization process, to transmit the broadcast over the Internet. This approach would only be appropriate for radio stations and only if those broadcasters had access to a reasonably reliable Internet service.
- Last, the Commission could reduce the cost of the service by establishing a “good faith” standard for recording that did not penalize broadcasters if the recording equipment and/or service failed for reasons unrelated to the content of the broadcast. A large part of the cost assumptions we use here include the provision for redundant systems to provide 99+% reliability. A standard that allowed reliability in the 95%-98% range could reduce the cost of the systems considerably.

As the nation’s leading provider of Third Party Verification to competitive telecommunications, electric utility and natural gas providers, among others, VoiceLog has developed considerable experience in recording and data storage. Because we record over nine million calls per year and store them for up to seven years, we understand the technology and economics involved.

In addition, we should point out that we take no position as to whether the FCC adopts the proposed rule or not. We do not know if a cost of \$420-\$1000 per year for a radio station or \$3,000 - \$12,000 per year for a television station is reasonable.

We hope this information is helpful. We reiterate our offer to do additional research at the Commission’s request to re-confirm these estimates.

Respectfully submitted,

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